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March 5, 1981

MEMORANDUM TO: DOD - Mr. Rixse 8106860

CIA - Mr. Evans 8106861

NSC - Ms. Colson 8106862

SUBJECT : Senior Interdepartmental Group

Meeting on East-West Relations

Attached are two papers for discussion at the SIG meeting on East-West Relations chaired by Ambassador Stoessel. The first paper is an abbreviated Terms of Reference; the second is the complete Terms of Reference.

The meeting will take place at 3:00 p.m., Friday, March 6, in Ambassador Stoessel's office, Room 7240, at the Department of State.

L. Paul Bremer, III
Executive Secretary

Attachments: As stated.

EAST-WE RELATIONS: Terms of Restrence

- I. The Soviet Challenge
 - A. <u>Soviet Goals</u>. What are Moscow's key foreign policy aims, strategy and tactics for the next decade? Will Soviet goals remain constant as political succession occurs?
 - B. Soviet Assets and Liabilities. What are the essential strengths and weaknesses of Moscow's international power?

 What are the likely trends for the next 10-15 years? How will domestic problems (succession, economy, nationalities) affect foreign behavior? How will Eastern European developments affect Soviet policy?

II. U.S. Response

- A. National Security Policy. What are our present assets and liabilities? Where are we weak vis a vis the USSR, and what should we do about it? How can arms control enhance. our national security?
- B. Policy toward Allies and Neutrals. How do we elicit maximum support and cooperation on defense, economic, and political strategies concerning the Soviet Union? How should we counter Soviet policies (traditional diplomacy, propaganda, economic cooperation) toward the Allies and the neutrals?

- C. Policy toward the Developing World. What are our priorities in the developing world? What are our strengths and weaknesses relative to the USSR (economic and security assistance, effective cooperation with allies and with China, traditional and public diplomacy)? How can we neutralize Soviet friends among developing countries, while strengthening our own?
- D. Policy toward China. How should be manage the triangular relationship?
- E. The Bilateral Relationship. Under what conditions should we undertake economic and exchange activities? Where do our interests and those of the Soviet Union genuinely overlap? How do the style and modalities of bilateral relations affect their substance? How should we apply linkage and reciprocity?

III. Immediate Problems

- A. <u>Poland</u>. What are the internal dynamics of the Polish situation? What are the probable determinants of Soviet policy? What are the implications for Soviet-EE relations over the longer term?
- B. Afghanistan/Southwest Asia. Which of the Carter Administration sanctions should be continued? What policy should we adopt toward Pakistan, the Afghan rebels?
- C. <u>Persian Gulf</u>. What more should be done to deter Soviet expansion into this vital area?

- D. CSCE, TNF, SALT, Other Arms Control. What are our aims during the balance of the Madrid Conference? When should we resume TNF talks with Moscow? Should we commence a strategic dialogue with the USSR prior to establishing our negotiating tactics on SALT issues? What should our position be toward our obligations under SALT II pending resumption of negotiations? How should we proceed with other arms control undertakings (Sverdlovsk incident and BW, CW, CTB, MBFR, ASAT)?
- E. <u>U.S.</u> and Allied Consensus. Can we minimize Soviet wedge-driving, and diminish inconsistency in our policy toward the USSR, by articulating a basic policy and explaining it to the Congress and the public as well as to our allies?
- IV. Conclusions and Policy Recommendations.

Attachment: Detailed Terms of Reference

Suggested Agency Taskings

I. The Soviet Challenge

Intelligence Community

- A. Soviet Goals
- B. Soviet Assets and Liabilities

II. U.S. Response

A. National Security Policy DOD

B. Policy toward Allies and Neutrals STATE (EUR/EA)

C. Policy toward the Developing World - STATE (Working Group)

D. Policy toward China STATE (EA)

E. The Bilateral Relationship STATE (SOV)

III. Immediate Problems STATE

A. Poland EE

B. Afghanistan NEA

C. Persian Gulf PM/NEA

D. TNF, SALT, Other Arms Control PM

E. U.S. and Allied Consensus SOV/ICA

IV. Conclusions and Policy Recommendations STATE (S/P)

EAST-WEST RELATIONS

Terms of Reference

- 1 Soviet Strategic Goals. Assess Soviet geopolitical objectives and long-term game plan, with an emphasis on Moscow's strategy toward the US, Western Europe, China, Japan and the Mideast/Persian Gulf regions. What are the dimensions of the problems we must deal with in the near-midterm period? Discuss Moscow's priorities over the next 5-10 years (e.g. economic/military; Europe/Northeast Asia). What are Soviet goals in the developing world and can we identify any longer term objective beyond the exploitation of "targets of opportunity"? To what degree do power/ideology influence these Soviet objectives, and how might this equation change with a new Soviet leadership generation?
- 2 Soviet Strategic Assets/Liabilities. What are Soviet resources for pursuing their strategic goals in the 1980's?
- a Short-Term. How could the Soviets seek to exploit their combination of strategic parity and conventional/theatre nuclear superiority, together with present US ICBM vulnerability, to score political gains over the next five years -- in Europe? vis-a-vis China and Japan? in the Persian Gulf? in the developing world? What are the Soviet targets which will be the most vulnerable to the use of military power for political pressure purposes? To what degree does the economic weakness of USSR and its allies, and the political vulnerability of its surrogates, undermine its capacity to sustain such pressures and make the Soviets vulnerable to counter-pressures?

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- 2 .

b - Mid-Term. Discuss prospects and implications of a Soviet Union in the mid 80s which combines great military strength and serious economic/energy weaknesses. What are the likely consequences in terms of Soviet policy toward US, Western Europe, Northeast Asia, Persian Gulf and developing countries? Is this situation likely to enhance Soviet proclivity to use military power for political/economic purposes, to promote greater cooperation with West or to pursue alternative diplomatic strategies (e.g. - accommodation with China). What will be the likely Soviet vulnerabilities (e.g. Eastern Europe) in this time period.

- c Longer Term. What are the prospects for more moderate Soviet foreign/security policy in the 1990's? How can our policies in the 80's enhance that possibility and ensure sufficient strength of US and core alliances should current Soviet policies persist.
- 3 Soviet Internal Scene. Examine current Soviet political dynamics, prospects for Brezhnev succession and impact on US/Soviet relations. Assess state of Soviet economy, including dependencies that could be exploited or could lead Moscow toward foreign adventures. Discuss Soviet nationalities problem and dissident movement and both opportunities/dangers they represent.

- 4. Eastern Europe. Is Eastern Europe a long term strategic asset or liability for Moscow? In what ways short of military power can Soviets maintain control, in face of a changing Eastern Europe? Review the degrees of internal liberalization, external independence and "Westernization" of the East European states and discuss options for promoting the gradual development of these trends in cooperation with our key allies. Analyze how we can exploit endemic East European economic problems to enhance our influence and their freedom of action vis-a-vis Moscow, especially as the USSR is increasingly unable to bail them out. Discuss how these goals can be furthered in the short-term and longer-term without provoking internal political convulsions and Soviet interventions.
- 5 US/Soviet Bilateral Relations. How can we exploit
 Soviet belief that they will be able "to do business" with tougher but more consistent US Administration? How do questions of style and rhetoric play into substance of our relations?
 Discuss the status of established bilateral cooperative
 arrangements and describe those that are advantageous to us
 and of real interest to Moscow. Discuss aspects of bilateral
 relationship which are outside the control of both parties. Ident
 existing interests (e.g. nuclear proliferation) and possible
 future common interests on which we might build.

6. US Military Counter-Strategy

a. Force Improvement Priorities - Give broad brush review of our strategic force assets/liabilities as backdrop to US military requirements/options in key theaters of competition with USSR. Identify US conventional and theatre nuclear force posture weaknesses which undercut our capacity to compete effectively with the USSR in Western Europe, Northeast Asia, Persian Gulf and developing countries? Suggest what in broad terms needs to be done to correct conventional and TNF deficiencies, and, taking account of general Administration budgetary projections, assess regional priorities. Identify potential new developments (e.g.-ERW, CW) which require allied assent and discuss priorities and approach to securing it.

c - Arms Control. Discuss how the arms control process or actual agreements could, in tandem with force posture adjustments, serve the goals described above. In particular, identify current broad US/allied negotiating goals for LRTNF,

CDE and MBFR talks, assess prospects for their achievement, discuss possible alternative objectives and indicate how MBFR might be downgraded in parallel with initiation of CDE process.

7 - Political Counter-Strategy. Discuss strategy for combating Soviet subversive activities, in Europe and Japan, as well as in developing world. Describe options for public affairs diplomacy (including ICA/VOA), ways to counter Soviet "peace offensive" in allied countries and methods for highlighting Soviet interventions in LDCs. This analysis should take account of indigenous LDC forces of nationalism, the weak Soviet foreign assistance record and cooperation in this area with allied and friendly countries.

8. Political Competition in Developing World.

a) - Countering Soviets. Discuss how we can counter the political-military influence of Moscow and Soviet client regimes (including Cuba, Libya, PDRY, Ethiopia, Angola and Syria) and how we can exploit their vulnerabilities. Identify potential Soviet "targets of opportunity" in next two years and how to cope with such dangers. Consider what can be done to undercut Vietnamese control of Kampuchea and support Thailand and ASEAN states. Identify possible US surrogates with which we can cooperate in Third Countries (e.g. Morocco in Africa).

- b) Core Alliance Partners. Discuss how we can generate European and Japanese cooperation in containing Soviet expansionism in developing world. Identify particular problems/vulnerabilities of key allies (e.g.-FRG) and how to gain their support. In this connection, analyze the "division of labor" concept and how it might be applied to political, economic and security areas, as well as to greater allied national security commitments to Southwest Asia, taking account of distinctive roles of Europeans and Japan. How can we ensure that allies blame USSR rather than US if East-West relations turn colder?
- c) China. Analyze US interests in the Sino-Soviet-American triangular relationship and how to manage these relationships to our advantage. Discuss how Sino-American cooperation can limit Soviet expansion, including diplomatic and military consultations, intelligence sharing and parallel approaches toward Kampuchea and other international issues. How does arms supply issue fit into this picture? Indicate how Chinese relationships with Japan and Europeans might serve these goals.
- 9. Economic Issues. Assess in broad terms how we can use economic and security assistance to support US competition with USSR. Summarize the state of US/Soviet trade, joint ventures and technology transfers and the

effects of Afghanistan related sanctions. Assess merits of tightening up/easing off on sanctions and what could be achieved in short and medium terms. On the East-West economic front, review Soviet/European gas pipeline, CSCE energy conference, COCOM rules and allied cooperation on common export credit policies toward USSR.

- 10. Priority Problems. In light of above analysis, how should we deal with current urgent problems.
- a) Poland. Summarize present internal political situation in Poland, likely developments through June 1, potential effects on Polish political structure and fall-out effect in other East European states. Consider possible Soviet reactions, identify potential "trigger points" and indicate interaction of Soviet Polish policy with broader US/Soviet relationship. Review possible US reprisals for

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Soviet invasion, likely allied reactions and Soviet responses.

Analyze Polish economic prospects and broad US/Western

options, including possible multilateral (or multiplebilateral) debt rescheduling.

- b) Afghanistan/Southwest Asia. Discuss state of Soviet control in Afghanistan, internal political equation and prospects for negotiated solution. Assess effectiveness of current sanctions, their viability and how they could be made more effective. Review options for supporting Afghan rebels, in cooperation with other countries, and steps needed to strengthen Pakistan and deter further Soviet intervention in Southwest Asia.
- Madrid Conference? What are the realistic possibilities to pursue US strategic goals toward the USSR in the post-Madrid CSCE framework? How can we work with the allies to achieve this end?
- 11. <u>Conclusions</u>. The study should propose specific policy recommendations on the following basic policy issues.
- a) Effective linkage between Soviet behavior in Third countries and arms control and other cooperative aspects of US/Soviet relations.
- b) Countering activities of Soviet surrogates, and client states, in developing world.

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- c) Building US military power which is relevant to current and projected Soviet threat -- in Europe,

 Northeast Asia, Persian Gulf and developing world.
- d) Use of arms control process, and possible agreements to enhance US security.
- e) Waging effective political competition with USSR.
- f) Exploiting growing economic vulnerabilities of USSR.
- g) Enhancing East European autonomy, internal liberalization and access to Western influence.
- h) Generating support of allies for these policies.
- i) Increasing China's association with the US/Allies in the practical pursuit of these goals.
- j) Growing cooperation of friendly LDCs and use of US "surrogates" in support of these US interests.
- 12. Comment. In addition to seeking specific recommendations on these policy issues, we are developing a number of more detailed questions, such as:
- a) What are the feasible elements of the US/
 Allied military posture which will deter Soviet adventurism
 in such critical areas as the Persian Gulf region?
- b) What are the minimum steps we must take to insure that the PRC continues to pin down at least 25 percent

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of Soviet forces on the Chinese border?

- c) How can we counter Soviet pressures on our allies and other friendly governments?
- d) What specific additional military force characteristics are needed to deter Soviet military moves against US/Allied interests over the next decade? Which of these can be fielded over the next 23-36 months?
- e) What "coping measures" can we prepare in the event the Soviets are able to gain control over major resource supplies (i.g., oil)?
- f) What should our strategy be for technology transfer issues, both direct and indirect?
- g) What measures should the US, its allies and possible surrogates take to cope with the use of proxies by the Soviet Union in the course of "wars of national liberation"?
- h) Identify a set of arms control objectives which the West can pursue in the present military environment. Will we be in a better position to achieve these objectives, on the strength of an improved military balance, five years from now then today?